



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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October 9, 2003

Glen Carpenter
District Manager
Bureau of Land Management
2370 South 2300 West
Salt Lake City, Utah 84119

Dear Mr. Carpenter:

Subject: Notification of Formal Agreement for Voluntary Surrender of Reclamation Surety,
US Magnesium LLC, Rowley/Stansbury Basin Mine, M/045/008, Tooele County,
Utah

This letter is to notify you of reclamation activities taking place under the Division's approved mining and reclamation plan for the Rowley Oolitic Mine site. This work is being performed by the Division of Oil, Gas and Mining under a special settlement agreement. Please find enclosed a copy of the final signed agreement reached between US Magnesium LLC ("US Mag") and the Division allowing for the voluntary surrender of the reclamation surety that was filed for reclamation of the Rowley oolitic sands mining activities. This agreement was prepared in response to the final conditions/stipulations associated with Magnesium Corporation of America's ("MagCorp") bankruptcy settlement agreement and the transfer of certain portions of the Rowley/Stansbury Basin Mine properties to US Mag.

Also attached is a disturbed area map prepared by the Division that outlines the oolitic sand mining and borrow areas that were previously utilized by MagCorp. These areas have recently been regraded and ripped by US Mag according to the requirements of the latest agreement and the approved reclamation plan. Division staff recently informed your staff that certain state and privately held lands have been regraded and were scheduled to be treated with a herbicide (Plateau) prior to reseeding. The spraying work was overseen by the Division and successfully performed on October 8, 2003. Associated federal lands were flagged in the field and were excluded from the Plateau herbicide treatment as per direction from your office. We are currently scheduling and anticipate completing the reseeding of **all** regraded areas by early November of this year.

Glen Carpenter
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M/045/008
September 23, 2002

Please contact me, Lynn Kunzler or Paul Baker of my staff should you have questions regarding this action. We can be reached at (801) 538-5286, 538-5310, and 538-5261, respectively.

Sincerely,



D. Wayne Hedberg
Permit Supervisor, Minerals Regulatory Program

jb
Enclosures - copy - Surety Release Agreement w/attachments,
Disturbed area map
cc: Jim Kohler, State Office, BLM w/map
Dan Tuttle, US Mag
Tom Fripp, US Mag
Mary Ann Wright, OGM
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